

# **Housing Authority of the Town of Mamou**

**Mamou, Louisiana**

**General Purpose Financial Statements and  
Independent Auditor's Reports  
As of and for the Year Ended June 30, 2002  
With Supplemental Information Schedules**

**WILLIAM DANIEL McCASKILL, CPA  
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**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
General Purpose Financial Statements  
As of and for the Fiscal Year Ended June 30, 2002  
With Supplemental Information Schedules  
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**Louisiana Society of CPA's**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Housing Authority of the Town of Mamou  
Mamou, Louisiana

I have audited the accompanying general-purpose financial statements of the Housing Authority of the Town of Mamou as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Town of Mamou as of June 30, 2002, and the results of its operations for the year ended in conformity with U.S. generally accepted accounting principles.

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
Independent Auditor's Report, 2002  
Page Two

In accordance with Government Auditing Standards, I have also issued a report dated November 22, 2002 on my consideration of the authority's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, and is not a required part of the general purpose financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by HUD, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

November 22, 2002

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Combined Balance Sheet - All Fund Types and Account Groups  
As of June 30, 2002

**Exhibit A**

	<i>General Fund (Low Rent)</i>	<i>Special Revenue Fund (Section 8 V)</i>	<i>General Fixed Asset Account Group</i>	<i>Total (Memorandum Only)</i>
<u><b>Assets</b></u>				
Current Assets:				
Cash and Cash Equivalents	\$ 231,713	\$ 15,244	\$ -	\$ 246,957
Cash - Tenant Security Deposits	20,833	-	-	20,833
Accounts Receivable, Net of Allowance for Doubtful Accounts	2,195	-	-	2,195
Prepaid Expenses and Other Assets	23,795	1,365	-	25,160
Interprogram Due From	900	-	-	900
Total Current Assets	<u>\$ 279,436</u>	<u>\$ 16,609</u>	<u>\$ -</u>	<u>\$ 296,045</u>
Restricted Assets:				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Total Restricted Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets	\$ -	\$ -	\$ 5,994,080	\$ 5,994,080
Other Assets	-	-	-	-
Investments in Joint Ventures	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-
Amount to be Provided For Retirement of Long Term Debt	-	-	-	-
Total Assets	<u>\$ 279,436</u>	<u>\$ 16,609</u>	<u>\$ 5,994,080</u>	<u>\$ 6,290,125</u>
<u><b>Liabilities, Equity, and Other Credits</b></u>				
Liabilities:				
Current Liabilities (payable from current assets):				
Accounts Payable	\$ 9,789	\$ -	\$ -	\$ 9,789
Accrued Wages and Payroll Taxes Payable	740	-	-	740
Accrued Compensated Absences - Current	9,369	-	-	9,369
Accounts Payable - HUD PHA Program	-	1,584	-	1,584
Interprogram Due To	-	900	-	900
Total Current Liabilities (payable from current assets)	<u>\$ 19,898</u>	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ 22,382</u>
Current Liabilities (payable from restricted assets):				
Tenant Security Deposits	\$ 20,833	\$ -	\$ -	\$ 20,833
Deferred Revenue - Tenant Prepaid Rents	302	-	-	302
	<u>\$ 21,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,135</u>
Long-term Liabilities:				
Compensated Absences Payable	-	-	-	-
Total Long-term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 41,033</u>	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ 43,517</u>
Equity:				
Investment in General Fixed Assets	\$ -	\$ -	\$ 5,994,080	\$ 5,994,080
Fund Balance:				
Unreserved / Undesignated	238,403	14,125	-	252,528
Total Equity	<u>\$ 238,403</u>	<u>\$ 14,125</u>	<u>\$ 5,994,080</u>	<u>\$ 6,246,608</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 279,436</u>	<u>\$ 16,609</u>	<u>\$ 5,994,080</u>	<u>\$ 6,290,125</u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For Fiscal Year Ended June 30, 2002

**Exhibit B**

	<i>General Fund (Low Rent)</i>	<i>Special Revenue Fund (Section 8 V)</i>	<i>Capital Projects Fund</i>	<i>Total (Memorandum Only)</i>
REVENUES:				
Local Sources:				
Net Tenant Rental Revenue	\$ 172,283	\$ -	\$ -	\$ 172,283
Investment Income - Unrestricted	10,682	488	-	11,170
Other	32,306	-	-	32,306
Federal Sources:				
Operating Subsidy	248,498	58,766	-	307,264
Capital Grants	-	-	209,885	209,885
Total Operating Revenues	<u>\$ 463,769</u>	<u>\$ 59,254</u>	<u>\$ 209,885</u>	<u>\$ 732,908</u>
EXPENDITURES:				
Current:				
Administration	\$ 127,310	\$ 4,225	\$ -	\$ 131,535
General Expenditures	32,855	-	-	32,855
Ordinary Maintenance & Operation	120,924	-	-	120,924
Extraordinary Maintenance & Operating	42,825	-	-	42,825
Utilities	100,820	2,412	-	103,232
Housing Assistance Payments	-	48,746	-	48,746
Capital Outlays - Governmental Funds	57,896	-	209,885	267,781
Total Expenditures	<u>\$ 482,630</u>	<u>\$ 55,383</u>	<u>\$ 209,885</u>	<u>\$ 747,898</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (18,861)</u>	<u>\$ 3,871</u>	<u>\$ -</u>	<u>\$ (14,990)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-
Total Operating Transfers In (Out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ (18,861)</u>	<u>\$ 3,871</u>	<u>\$ -</u>	<u>\$ (14,990)</u>
Fund Balance at Beginning of Year	\$ 257,264	\$ 11,463	\$ -	\$ 268,727
Prior Period Adjustments, Equity Transfers, & Correction of Errors	-	(1,209)	-	(1,209)
Fund Balance at End of Year	<u>\$ 238,403</u>	<u>\$ 14,125</u>	<u>\$ -</u>	<u>\$ 252,528</u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana

EXHIBIT C

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual - General and Special Revenue Funds  
For Fiscal Year Ending June 30, 2002

	Low Rent Public Housing			Section 8 Voucher Program		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
Revenues						
Local Sources:						
Total Tenant Rental Revenue	\$ 173,000	\$ 172,283	\$ (717)	\$ -	\$ -	\$ -
Investment Income - Unrestricted	10,000	10,682	682	-	488	488
Receipts from Sale of Equipment	-	-	-	-	-	-
Other Revenue	33,000	32,306	(694)	-	-	-
Federal Sources:	-	-	-	-	-	-
Operating Subsidy / HUD PHA Grants	248,500	248,498	(2)	60,350	58,766	(1,584)
Annual Contributions	-	-	-	-	-	-
Total Revenues	\$ 464,500	\$ 463,769	\$ (731)	\$ 60,350	\$ 59,254	\$ (1,096)
Expenditures						
Administrative	\$ 126,040	\$ 127,310	\$ 1,270	\$ 9,638	\$ 6,637	\$ (3,001)
Tenant Services	-	-	-	-	-	-
Utilities	100,000	100,820	820	-	-	-
Ordinary Maintenance & Operations	123,120	120,924	(2,196)	-	-	-
Protective Services	-	-	-	-	-	-
General Expenses	31,850	32,855	1,005	-	-	-
Nonroutine Maintenance	43,700	42,825	(875)	-	-	-
Capital Expenditures	58,338	57,896	(442)	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
Housing Assistance Payments	-	-	-	50,712	48,746	(1,966)
Total Expenditures	\$ 483,048	\$ 482,630	\$ (418)	\$ 60,350	\$ 55,383	\$ (4,967)
Excess Revenues (Deficiency) Over Expenses	\$ (18,548)	\$ (18,861)	\$ (313)	\$ -	\$ 3,871	\$ 3,871
Other Financing Sources (Uses)						
Operating Transfers In	\$ -	\$ -	-	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-	-	-
Total Operating Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and and Other Sources Over Expenditures and Other Uses	\$ (18,548)	\$ (18,861)	\$ (313)	\$ -	\$ 3,871	\$ 3,871
Fund Balance at Beginning of Year	\$ -	\$ 257,264	257,264	\$ -	\$ 11,463	\$ 11,463
Prior Period Adjustments, Equity Transfers, and Corrections of Errors	-	-	-	-	(1,209)	(1,209)
Fund Balance at End of Year	\$ (18,548)	\$ 238,403	\$ 256,951	\$ -	\$ 14,125	\$ 14,125

# **Housing Authority of the Town of Mamou**

Mamou, Louisiana

Notes to the Financial Statements

For Fiscal Year Ended June 30, 2002

The Public Housing Authority (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Mamou, Louisiana. This creation was contingent upon the approval of the local governing body of the City. A five member Board of Commissioners governs the authority. The members, appointed by the Town of Mamou Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the authority for the purpose of assisting the authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the authority for the purpose of maintaining this low rent character.

At June 30, 2002, the authority was managing 120 units of Low Rent Public Housing under FW-2013, a Section 8 Rental Voucher Program, and a Capital Fund Program.

## ***NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

### **(1) Basis of Presentation**

The accompanying financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### **(2) Financial Reporting Entity**

Codification Section 2100 has defined the governmental reporting entity to be the authority itself. The authority has a separate governing body, is legally separate, and is fiscally independent of other state and local governments.

The authority is a related organization of the Town of Mamou, Louisiana since the town appoints a voting majority of the authority's governing board. The town is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to,



or impose financial burdens on, the town. Accordingly, the authority is not a component unit of the financial reporting entity of the town.

The financial statements includes all funds and activities that are within the oversight responsibility of the authority.

Certain units of local government over which the authority exercises no oversight responsibility, such as the parish police jury, school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

(3) Fund Accounting

The authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the authority are classified as governmental.

Governmental Funds

Governmental funds account for all or most of the authority's general activities including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – the general operating fund of the authority accounts for all financial resources, except those required to be accounted for in other funds. The General Fund includes transactions of the low rent housing assistance programs.
2. Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds contain transactions of the various Section 8 housing assistance programs administered by the authority.
3. Debt Service Funds – account for transactions relating to sources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group. Debt service funds contain current year payments of principal and interest on project notes, federal financing bonds, and bonds payable.

4. Capital Projects Funds – account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. Capital projects funds contain transactions relating to active modernization and development programs.

(4) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Operating subsidies and the annual contributions received from HUD are recorded when available and measurable. Federal restricted grants are recorded when reimbursable expenditures have been incurred. Interest income is recorded when the amount can be determined.

Expenditures

Salaries and the related benefits are recorded when earned by the employees. Capital outlay is recorded when the cost has been incurred. Debt service expenditures are recorded when payments are due. Compensated absences are recorded as expenses of the appropriate fund when the employee has earned the right to receive payment and when it is probable that the authority will pay the expense either as paid time off to the employee or upon termination of the employee. The long-term portion of compensated absences payable is recorded in the General Long-term Obligations Account Group.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

(5) Budgetary Data

The authority is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Both annual and project length budgets require grantor approval.

(6) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(7) Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in certificates of deposits and those investments with original maturities of 90 days or less. Under state law, the authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

(8) Investments

HUD regulations, state law, and the authority's investment policy limit investments. If the original maturities of investments exceed 90 days, they are classified as investments. If the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at fair value based on quoted market prices.

(9) Short-Term Interfund Receivables and Payables

Short-term interfund loans are classified as Interprogram Due From and Due To. No eliminations have been made in the accompanying financial statements.

(10) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses generally consist of prepaid insurance.

(11) Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

(12) Compensated Absences

Employees may accumulate an unlimited number of annual and sick leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave. The cost of current

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
Notes to the Financial Statements, 2002 – Continued

leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

(13) Long-term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

(14) Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

(15) Total Columns on Combined Statements

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

*NOTE B – CASH AND CASH EQUIVALENTS*

At June 30, 2002, the authority has cash and cash equivalents (book balances) totaling \$267,789 as follows:

Interest-Bearing Demand Deposits	\$75,264
Time Deposits	192,183
Other	343
Total	<u>\$267,790</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2002, the authority has \$297,716 in deposits (bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$197,716 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
Notes to the Financial Statements, 2002 – Continued

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the authority that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE C – RECEIVABLES**

Receivables of \$2,195 at June 30, 2002, are as follows:

<u>Class Of Receivable</u>	<u>General Fund</u>
Accounts Receivable – Tenants – Dwelling Rent	\$3,391
Allowance for Doubtful Accounts – Tenants – Dwelling Rent	(2,752)
Interest	1,556
Total	<u>\$2,195</u>

**NOTE D – FIXED ASSETS**

The changes in general fixed assets follow:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Land	\$393,732	\$ -	\$ -	\$393,732
Buildings	3,347,766	289,300	-	3,637,066
Furniture and Equipment:				
Dwellings	72,015	8,784	-	80,799
Administration	45,305	-	-	45,305
Leasehold Improvements	1,829,978	7,200	-	1,837,178
Total	<u>\$5,688,796</u>	<u>\$305,284</u>	<u>\$ -</u>	<u>\$5,994,080</u>

**NOTE E - RETIREMENT PLAN**

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
Notes to the Financial Statements, 2002 – Continued

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.00% percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 4.00% percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended June 30, 2002, was \$103,595. The authority's contributions were calculated using the base salary amount of \$103,595. The authority made the required contributions of \$8,330 for the year ended June 30, 2002.

**NOTE F - COMPENSATED ABSENCES**

At June 30, 2002, employees of the authority have accumulated and vested \$9,369 of employee leave benefits, which is presented as a current liability of the appropriate fund(s) in the balance sheet. The long-term portion is considered immaterial and has been included in the current liabilities of the appropriate fund(s) in lieu of reporting the amount in the General Long-Term Obligations Account Group. Except as discussed above, the liability has been computed in accordance with GASB Codification Section C60.

**NOTE G - INTERPROGRAM DUE FROM AND DUE TO**

<u>Fund</u>	Due From	Due To
Low Rent Public Housing	\$900	\$ -
Section 8 Rental Voucher Program	-	\$900
Total	\$900	\$900

**NOTE H – PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS, AND CORRECTIONS OF ERRORS**

The Section 8 Rental Voucher program recorded an adjustment of \$(1,209) to adjust HUD Payable to actual.

*NOTE I – RISK MANAGEMENT*

The authority is exposed to all common perils associated with the ownership and rental of real estate properties. To minimize loss occurrence and to transfer risk, the authority carries various commercial insurance policies including property, casualty, employee dishonesty, public official's liability, business auto and other miscellaneous policies. These policies are reviewed for adequacy by management annually.

*NOTE J – LITIGATION AND CLAIMS*

At June 30, 2002 the authority was involved in one lawsuit resulting from a fire in one of the authority's units. This matter was settled in November 2002 at no expense to the authority.

*NOTE K – FEDERAL COMPLIANCE CONTINGENCIES*

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

**Housing Authority of the Town of Mamou**

**Schedule 1**

Mamou, Louisiana

Supplemental Information Schedules (GAAP Basis)

Fiscal Year Ended June 30, 2002

Compensation Paid Board Members

The Board of Commissioners serves without compensation.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Housing Authority of the Town of Mamou  
Mamou, Louisiana

I have audited the financial statements of the Housing Authority of the Town of Mamou (the authority), as of and for the year ended June 30, 2002 and have issued my report thereon dated November 22, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
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the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the board of commissioners, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

November 22, 2002

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Housing Authority of the Town of Mamou  
Mamou, Louisiana

### Compliance

I have audited the compliance of the Housing Authority of the Town of Mamou (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with: generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

Housing Authority of the Town of Mamou  
Mamou, Louisiana  
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In my opinion, the authority complied, in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the board of commissioners, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

November 22, 2002

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2002

**Schedule 2**

<i>CFDA #</i>	<i>Name of Federal Program</i>	<i>Amount</i>
14.850a	Low Rent Public Housing	\$ 248,498
14.855	Section 8 Rental Voucher Program	58,766
14.872	Public Housing Capital Fund Program	209,885
Total Federal Expenditures		<u>\$ 517,149</u>

**Housing Authority of the Town of Mamou**

**Schedule 3**

Mamou, Louisiana

Schedule of Prior Year Audit Findings

Fiscal Year Ended June 30, 2002

There were no findings in the prior audit.

**Housing Authority of the Town of Mamou**     **Schedule 4**  
Mamou, Louisiana  
Schedule of Current Audit Findings and Questioned Costs  
Fiscal Year Ended June 30, 2002

Per OMB Circular A-133, Section 505(d)

1. Summary Schedule of Auditor's Results:

- i. The type of auditor's report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by Government Auditing Standards, to the financial statements.
- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings, which the auditor is required to report under Section 510(a) of OMB Circular A-133.
- vii. The major federal programs are:

<u>CFDA#</u>	<u>Name of Program</u>
14.872	Public Housing Capital Fund Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section 520(b) was \$300,000.
- ix. The auditee qualified as a low risk auditee under OMB Circular A-133, Section 530.

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Financial Data Schedule  
For Fiscal Year Ended June 30, 2002

**Schedule 5**  
Page 1 of 3

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Section 8 Rental Vouchers</i>	<i>Capital Fund Program</i>	<i>General Fixed Assets Account Group</i>	<i>Total</i>
111	Cash - Unrestricted	\$ 231,713	\$ 15,244	\$ -	\$ -	\$ 246,957
114	Cash - Tenant Security Deposits	20,833	-	-	-	20,833.00
100	<b>Total Cash</b>	<b>\$ 252,546</b>	<b>\$ 15,244</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 267,790</b>
126	Accounts Receivable - Tenants - Dwelling Rents	\$ 3,391	\$ -	\$ -	\$ -	\$ 3,391
126.1	Allowance for Doubtful Accounts - Tenants - Dwelling Rents	(2,752)	-	-	-	(2,752)
129	Accrued Interest Receivable	1,556	-	-	-	1,556
120	<b>Total receivables, Net of Allowances for Doubtful Accounts</b>	<b>\$ 2,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,195</b>
142	Prepaid Expenses and Other Assets	\$ 23,795	\$ 1,365	\$ -	\$ -	\$ 25,160
144	Interprogram Due From	900	-	-	-	900
150	<b>Total Current Assets</b>	<b>\$ 279,436</b>	<b>\$ 16,609</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 296,045</b>
161	Land	\$ -	\$ -	\$ -	\$ 393,732	\$ 393,732
162	Buildings	-	-	-	3,637,066	3,637,066
163	Furniture, Equipment, and Machinery - Dwellings	-	-	-	80,799	80,799
164	Furniture, Equipment, and Machinery - Administration	-	-	-	45,305	45,305
165	Leasehold Improvements	-	-	-	1,837,178	1,837,178
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,994,080</b>	<b>\$ 5,994,080</b>
174	Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -
180	<b>Total Non-Current Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,994,080</b>	<b>\$ 5,994,080</b>
190	<b>Total Assets</b>	<b>\$ 279,436</b>	<b>\$ 16,609</b>	<b>\$ -</b>	<b>\$ 5,994,080</b>	<b>\$ 6,290,125</b>
312	Accounts Payable ≤ 90 days	\$ 9,789	\$ -	\$ -	\$ -	\$ 9,789
321	Accrued Wage/Payroll Taxes Payable	740	-	-	-	740
322	Accrued Compensated Absences	9,369	-	-	-	9,369
331	Accounts Payable - HUD PHA Programs	-	1,584	-	-	1,584
341	Tenant Security Deposits	20,833	-	-	-	20,833
342	Deferred Revenue - Tenant Prepaid Rents	302	-	-	-	302
347	Interprogram - Due To	-	900	-	-	900
310	<b>Total Current Liabilities</b>	<b>\$ 41,033</b>	<b>\$ 2,484</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,517</b>
351	Long-Term Debt, Net of Current - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
353	Non-Current Liabilities - Other	-	-	-	-	-
350	<b>Total Non-Current Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
300	<b>Total Liabilities</b>	<b>\$ 41,033</b>	<b>\$ 2,484</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,517</b>
501	Investment In General Fixed Assets	\$ -	\$ -	\$ -	\$ 5,994,080	\$ 5,994,080
504	Net HUD PHA Contributions	-	-	-	-	-
508	<b>Total Contributed Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
509	Fund Balance Reserved for Encumbrances/Designated Fund Balance	-	\$ -	\$ -	\$ -	\$ -
510	Fund Balance Reserved for Capital Activities	-	-	-	-	-
511	<b>Total Reserved Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Financial Data Schedule  
For Fiscal Year Ended June 30, 2002

**Schedule 5**  
Page 2 of 3

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Section 8 Rental Vouchers</i>	<i>Capital Fund Program</i>	<i>General Fixed Assets Account Group</i>	<i>Total</i>
512	Undesignated Fund Balance / Retained Earnings	\$ 238,403	\$ 14,125	\$ -	\$ -	\$ 252,528
513	Total Equity / Net Assets	\$ 238,403	\$ 14,125	\$ -	\$ 5,994,080	\$ 6,246,608
600	Total Liabilities and Equity / Net Assets	\$ 279,436	\$ 16,609	\$ -	\$ 5,994,080	\$ 6,290,125
703	Net Tenant Rental Revenue	\$ 172,283	\$ -	\$ -	\$ -	\$ 172,283
704	Tenant Revenue - Other	-	-	-	-	-
705	Total Tenant Revenue	\$ 172,283	\$ -	\$ -	\$ -	\$ 172,283
706	HUD PHA Grants	\$ 248,498	\$ 58,766	\$ -	\$ -	\$ 307,264
706.1	Capital Grants	-	-	209,885	-	\$ 209,885
711	Investment Income - Unrestricted	10,682	488	-	-	11,170
715	Other Revenue	32,306	-	-	-	32,306
700	Total Revenue	\$ 463,769	\$ 59,254	\$ 209,885	\$ -	\$ 732,908
911	Administrative Salaries	\$ 58,121	\$ 2,425	\$ -	\$ -	\$ 60,546
912	Auditing Fees	4,100	900	-	-	5,000
914	Compensated Absences	2,626	-	-	-	2,626
915	Employee Benefit Contributions - Administrative	23,127	-	-	-	23,127
916	Other Operating - Administrative	39,336	900	-	-	40,236
931	Water	45,012	-	-	-	45,012
932	Electricity	4,577	2,412	-	-	6,989
933	Gas	51,231	-	-	-	51,231
941	Ordinary Maintenance and Operations - Labor	57,112	-	-	-	57,112
942	Ordinary Maintenance and Operations - Materials and Other	29,433	-	-	-	29,433
943	Ordinary Maintenance and Operations - Contract Costs	11,253	-	-	-	11,253
945	Employee Benefit Contributions - Ordinary Maintenance	23,126	-	-	-	23,126
961	Insurance Premiums	29,713	-	-	-	29,713
962	Other General Expenses	390	-	-	-	390
964	Bad Debt - Tenant Rents	2,752	-	-	-	2,752
969	Total Operating Expense	\$ 381,909	\$ 6,637	\$ -	\$ -	\$ 388,546
970	Excess Operating Revenue Over Operating Expenses	\$ 81,860	\$ 52,617	\$ 209,885	\$ -	\$ 344,362
971	Extraordinary Maintenance	\$ 42,825	\$ -	\$ -	\$ -	\$ 42,825
973	Housing Assistance Payments	-	48,746	-	-	48,746
976	Capital Outlays - Governmental Funds	57,896	-	209,885	-	267,781
900	Total Expenses	\$ 482,630	\$ 55,383	\$ 209,885	\$ -	\$ 747,898
1001	Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
1002	Operating Transfers Out	-	-	-	-	-
1010	Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (18,861)	\$ 3,871	\$ -	\$ -	\$ (14,990)

**Housing Authority of the Town of Mamou**  
Mamou, Louisiana  
Financial Data Schedule  
For Fiscal Year Ended June 30, 2002

**Schedule 5**  
Page 3 of 3

<i>Line Item Number</i>	<i>Account Description</i>	<i>Low Rent Public Housing</i>	<i>Section 8 Rental Vouchers</i>	<i>Capital Fund Program</i>	<i>General Fixed Assets Account Group</i>	<i>Total</i>
	MEMO ACCOUNT INFORMATION					
1101	Capital Outlays - Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-
1103	Beginning Equity	257,264	11,463	-	5,688,796	5,957,523
1104	Prior Period Adjustments, Equity Transfers, and Correction Of Errors	-	(1,209)	-	-	(1,209)
1105	Changes in Compensated Absences Liability	(2,626)	-	-	-	(2,626)
1106	Changes in Contingent Liability Balance	-	-	-	-	-
1107	Changes in Unrecognized Pension Transition Liability	-	-	-	-	-
1108	Changes in Special Terms/Severance Benefits Liability	-	-	-	-	-
1109	Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-
1110	Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-
1112	Depreciation "Add-Back"	-	-	-	-	-
1113	Maximum Annual Contributions Commitment (Per ACC)	-	63,202	-	-	63,202
1115	Contingency Reserve, ACC Program Reserve	-	20,495	-	-	20,495
1116	Total Annual Contributions Available	-	83,697	-	-	83,697
1120	Unit Months Available	1,440	240	-	-	1,680
1121	Number of Unit Months Leased	1,397	238	-	-	1,635